SPEECH TO THE ARMY WAR COLLEGE

26 APRIL 1983 1:00 P.M.

GOOD AFTERNOON AND WELCOME TO THE CENTRAL INTELLIGENCE AGENCY. This is a tough time of day to be speaking and the PERILS OF A POST-LUNCH PRESENTATION REMIND ME OF AN INCIDENT THAT HAPPENED TO THE GREAT STATESMAN ADLAI STEVENSON. AN ADMIRER APPROACHED HIM AFTER A LUNCHEON SPEECH AND SAID.

"MR. STEVENSON, THAT WAS A FINE TALK...ABSOLUTELY SUPERFLUOUS." STEVENSON WAS TAKEN ABACK FOR ONLY A MOMENT AND JOKINGLY REPLIED, "I'M GLAD YOU ENJOYED IT. I INTEND TO HAVE IT PUBLISHED POSTHUMOUSLY." "WONDERFUL!" SAID THE ADMIRER.

"THE SOONER THE BETTER."

DESPITE SUCH PITFALLS. I WOULD LIKE TO TALK WITH YOU ABOUT OUR NATIONAL INTELLIGENCE EFFORT -- THE COMPLEX PROCESS THAT HOPEFULLY PUTS NEEDED INFORMATION ON THE PRESIDENT'S AND OTHER POLICYMAKERS' DESKS AT THE RIGHT TIME. THE INTERCONNECTED AGENCIES THAT PRODUCE THESE ASSESSMENTS. AND THE TOPICS OF SPECIAL CONCERN TO OUR LEADERS TODAY.

QNE OF THE MOST DEVASTATING SURPRISES OF ALL, PEARL HARBOR, PROVIDED THE IMPETUS TO CREATE OUR MODERN AMERICAN INTELLIGENCE COMMUNITY. THE TRAGIC LESSON OF DECEMBER 7, 1941 WAS CLEAR: UNCOORDINATED DEPARTMENTAL INTELLIGENCE COULD NOT CONTINUE. THERE HAD TO BE AN ORGANIZATION RESPONSIBLE TO OVERSEE THE TOTAL AMERICAN INTELLIGENCE EFFORT. IN JUNE 1942, ONE WAS CREATED AND CALLED THE OFFICE OF STRATEGIC SERVICES —THE FAMOUS OSS. IT WAS THE PREDECESSOR OF THE CENTRAL INTELLIGENCE AGENCY WHICH UNDER THE GUIDING HANDS OF BILL DONOVAN AND HARRY TRUMAN CAME INTO BEING IN 1947.

INTELLIGENCE HAS COME A LONG WAY SINCE 1947. OUR COLLECTION AND ANALYSIS ARE NOW BROADER. MORE CAPABLE, AND MUCH MORE TIME-SENSITIVE. ALL DEPARTMENTS AND BRANCHES OF GOVERNMENT WHICH HAVE AN INTELLIGENCE FUNCTION COMPRISE WHAT WE CALL THE INTELLIGENCE COMMUNITY: THE STATE DEPARTMENT, MILITARY INTELLIGENCE COMPONENTS OF THE ARMED SERVICES. THE FBI. THE DEFENSE INTELLIGENCE AGENCY. THE NATIONAL SECURITY AGENCY. THE DEPARTMENT OF ENERGY, THE TREASURY DEPARTMENT, AND OF COURSE THE CENTRAL INTELLIGENCE AGENCY.

AT THE HEAD OF THIS SPRAWLING NETWORK IS THE DIRECTOR OF CENTRAL INTELLIGENCE. BILL CASEY. HE IS THE PRINCIPAL INTELLIGENCE ADVISER TO THE PRESIDENT AND COORDINATOR OF ALL

FOREIGN INTELLIGENCE...

FOREIGN INTELLIGENCE ACTIVITIES. HE IS RESPONSIBLE FOR THE NATIONAL FOREIGN INTELLIGENCE PROGRAM BUDGET FOR THE INTELLIGENCE COMMUNITY AND FOR TASKING ALL NATIONAL COLLECTION ASSETS.

BILL CASEY IS THE FIRST DCI TO HAVE CABINET RANK AND WE ARE FORTUNATE TO HAVE HIM. HE HAS SEEN INTELLIGENCE FROM WITHIN AND FROM WITHOUT. "WITHIN" BECAUSE HE WORKED WITH BILL DONOVAN IN THE OSS DURING WORLD WAR II. SOME OF YOU MAY ALREADY KNOW THAT HE WAS RESPONSIBLE FOR AGENT OPERATIONS BEHIND ENEMY LINES IN THE EUROPEAN THEATER BUT YOU MAY NOT REALIZE HE ALSO PARTICIPATED IN THE FORMULATION OF THE PLANS FOR THE POST-WAR CENTRAL INTELLIGENCE AGENCY. THE FACT THAT THE HISTORY OF THE CENTRAL INTELLIGENCE AGENCY SPANS THE LIFETIME OF THIS ONE MAN IS TESTIMONY TO HOW YOUNG WE REALLY BILL CASEY, HAS ALSO SEEN INTELLIGENCE FROM "WITHOUT". FROM THE PERSPECTIVE OF AN INTELLIGENCE CONSUMER, WHEN HE WAS Under Secretary of State for Economic Affairs, President and CHAIRMAN OF THE EXPORT-IMPORT BANK, AS WELL AS BEING A MEMBER OF THE PRESIDENTS FOREIGN INTELLIGENCE ADVISORY BOARD. AS IF THESE CREDENTIALS WEREN'T ENOUGH. HE CLAIMS PRESIDENT REAGAN HIRED HIM BECAUSE HE WANTED SOME YOUNGER MEN AROUND HIM! BILL QUALIFIES BY ONE YEAR.

SINCE HE HAS CABINET RANK. HE SITS IN ON CABINET
MEETINGS AND IS PRIVY TO NATIONAL POLICY DECISIONS. I CANNOT
OVER-EMPHASIZE HOW THE INTELLIGENCE COMMUNITY HAS BENEFITED
FROM THIS ACCESS. HE CAN MORE ACCURATELY PINPOINT THE NEEDS OF
OUR PRIMARY CONSUMERS. HE HAS THE EAR OF THE PRESIDENT AND
WHAT IS MORE APPROPRIATE FOR THE NATION'S CHIEF INTELLIGENCE
OFFICER?

I WOULD NOT TRY TO PERSUADE YOU THAT THE INTELLIGENCE COMMUNITY IS FREE OF ALL RIVALRIES. OR THAT IT NEVER HAS ANY BUREAUCRATIC SPATS. IT IS NOT A COMMUNE. EACH MEMBER HAS HIS OWN SUPERIOR TO WHOM HE MUST REPORT -- THE SECRETARY OF DEFENSE. THE SECRETARY OF STATE. THE FBI DIRECTOR. AND SO FORTH. BUT THE SYSTEM DOES WORK. ITS MEMBERS ARE MOTIVATED BY THE FEELING THAT. IF ONE FAILS. NONE CAN REALLY SUCCEED.

THE TEAMWORK AND DIRECTION REQUIRED FOR THE INTELLIGENCE COMMUNITY TO DO ITS WORK CAN BE ILLUSTRATED BY AN EXAMPLE. WHO IS RESPONSIBLE FOR TRACKING THE MOVEMENTS AND ACTIVITIES OF FOREIGN SPIES? THE FBI OR THE CIA? WELL IF YOU GUESSED BOTH YOU ARE RIGHT.

CONSIDER THE QUESTION OF POSSIBLE SUBVERSIVE OPERATIONS
IN THIS COUNTRY BY A FOREIGN NATION. OBVIOUSLY, THIS IS A
PROBLEM OF INTERNAL SECURITY, AND MIGHT AT FIRST GLANCE SEEM
BEYOND THE PURVIEW OF INTELLIGENCE. THERE IS, HOWEVER, A VITAL
CONNECTION BETWEEN FOREIGN INTELLIGENCE AND INTERNAL SECURITY.
FOREIGN AGENTS INVOLVED IN CLANDESTINE OPERATIONS MOVE BACK AND
FORTH BETWEEN THE US AND FOREIGN COUNTRIES. SO, INTELLIGENCE
AND INTERNAL SECURITY WORK TOGETHER. INTELLIGENCE SUPPLIES THE
LEADS, THE SCOPE AND AIMS OF A CLANDESTINE OPERATION AGAINST
US. THE INTERNAL SECURITY FORCES -- THE FBI -- COMBAT THE
AGENTS ONCE THEY ARE IN THIS COUNTRY. CIA HAS NO DOMESTIC
INTERNAL SECURITY RESPONSIBILITY; IT DOES NOT REPORT ON US
CITIZENS. DOMESTIC SECURITY IS THE PROVINCE OF THE FBI.

AS THIS EXAMPLE ILLUSTRATES, WHILE THERE IS AN INTELLIGENCE COMMUNITY, DIFFERENT MEMBERS DO HAVE SPECIALIZED CONCERNS. THE DEFENSE INTELLIGENCE AGENCY OR THE VARIOUS SERVICE INTELLIGENCE UNITS ARE MOST INTERESTED IN EVALUATING THE MILITARY ASPECTS OF AN INTELLIGENCE PROBLEM. STATE DEPARTMENT'S INR GENERALLY FOCUSES MORE ON THE DIPLOMATIC RAMIFICATIONS OF AN EVENT SUCH AS CHANGES IN THE POLITICAL LEADERS OF A COUNTRY. THE INTELLIGENCE COMPONENT OF THE DEPARTMENT OF ENERGY AS WELL AS CIA TRACKS WORLDWIDE OIL RESERVES. WHEN AGGREGATED, THIS VOLUMINOUS AND DIVERSE

INFORMATION BECOMES...

INFORMATION BECOMES <u>NATIONAL INTELLIGENCE</u>. THE KIND THAT THE DCI WOULD REPORT TO THE PRESIDENT AND HIS TOP POLICY ADVISORS. ONE OF THE PRINCIPAL FUNCTIONS OF THE CENTRAL INTELLIGENCE AGENCY IS TO SUPPORT THE DCI IN THE PRODUCTION OF THIS NATIONAL INTELLIGENCE.

HOW DO WE END UP WITH AN ESTIMATE ON A DEVELOPMENT IN A FOREIGN COUNTRY? ALL INTELLIGENCE BEGINS WITH A QUESTION. IT ENDS WITH AN ASSESSMENT SUCH AS A LENGTHY NATIONAL INTELLIGENCE ESTIMATE -- AN NIE -- OR A SHORT CURRENT PIECE CALLED A NATIONAL INTELLIGENCE DAILY -- A NID. WE HAVE A WHOLE SPECTRUM OF INTELLIGENCE PRODUCTS: NIES, NIDS, PDBs, IAS. AND YOU THOUGHT ONLY THE MILITARY HAD A PROBLEM WITH ACRONYMS!

WE NEED A VARIETY OF PRODUCTS BECAUSE OUR NATIONAL
LEADERS HAVE A VARIETY OF NEEDS. EACH MORNING THE PRESIDENT
WANTS A QUICK OVERVIEW OF RECENT. MAJOR FOREIGN EVENTS WHICH
COULD AFFECT NATIONAL SECURITY. HE GETS SUCH A REVIEW IN THE
FORM OF THE PRESIDENTIAL DAILY BRIEF DELIVERED DAILY BY A CIA
OFFICER. THIS IS CALLED CURRENT INTELLIGENCE. THE SECRETARY
OF DEFENSE AS WELL AS THE PRESIDENT NEEDS AN ANALYSIS OF SOVIET
EFFORTS OVER THE NEXT DECADE TO DEVELOP NEW AND MORE
DEVASTATING BALLISTIC MISSILE SYSTEMS. THEY RECEIVE A NATIONAL
INTELLIGENCE ESTIMATE. THIS IS CALLED LONG-RANGE OR ESTIMATIVE

INTELLIGENCE. IN BETWEEN...

INTELLIGENCE. IN BETWEEN ARE INTELLIGENCE PRODUCTS ON A WIDE RANGE OF TOPICS THAT LOOK AT QUESTIONS. INTELLIGENCE PROBLEMS OR ISSUES IN TERMS OF THREE MONTHS. ONE YEAR. FIVE YEARS.

IDEALLY SUCH PRODUCTION IS DRIVEN BY QUESTIONS THAT ACCURATELY REFLECT THE CONCERNS OF OUR PRESENT LEADERS. THESE CONCERNS VARY ACCORDING TO THE POLITICAL PERSONALITIES AND THE DYNAMICS OF THE WORLD. LET ME GIVE YOU AN EXAMPLE. WHEN A MAN NAMED JIMMY CARTER CAME TO TOWN. CIA PEOPLE GATHERED UP WHAT WERE THEN CALLED KIQS. KEY INTELLIGENCE QUESTIONS. AND PROCEEDED TO THE WHITE HOUSE WHERE THEY PROUDLY DISPLAYED THESE WORLDWIDE INTELLIGENCE ISSUES TO THE NEW PRESIDENT. HE SCANNED THE LIST. PAUSED...LOOKED UP AND SAID...."THESE AREN'T MY KEY INTELLIGENCE QUESTIONS."...IN SHORT, HE GOT NO KICK FROM OUR KIQS:

SO ABOUT SIX YEARS AGO. WE BURIED THE KIQS AND AFTER A PERIOD OF MOURNING DEVELOPED A NEW WAY OF HIGHLIGHTING MAJOR INTELLIGENCE QUESTIONS CALLED -- READY FOR A NEW ACRONYM -- THE NITS! NATIONAL INTELLIGENCE TOPICS. THIS SET OF INTELLIGENCE QUESTIONS IS CIRCULATED AMONG POLICYMAKERS EVERY SIX MONTHS FOR THEIR REVIEW AND IS THEN PROVIDED TO INTELLIGENCE ANALYSTS TO HELP FOCUS THEIR RESEARCH. THIS IS OUR FORMAL MECHANISM FOR D'RIVING INTELLIGENCE PRODUCTION AND COLLECTION GOALS.

THERE ARE ALSO A VARIETY OF <u>INFORMAL</u> WAYS THROUGH WHICH A POLICYMAKER CONVEYS HIS OR HER NEEDS TO US. BILL CASEY BRINGS BACK THE QUESTIONS AND CONCERNS OF CABINET MEMBERS FROM THE MEETINGS. EVERY WEEK HE ALSO MEETS WITH JUDGE CLARK. ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS. SECRETARY OF DEFENSE WEINBERGER. AND SECRETARY OF STATE GEORGE SHULTZ. BILL CASEY IS VERY SENSITIVE TO THE IMPLICATIONS OF INTELLIGENCE AND IS QUICK TO PICK UP THE PHONE AND SET IN MOTION NEW PRODUCTION TASKS.

CIA ANALYSTS DAILY BRIEF THE PRESIDENT, JUDGE CLARK, SECRETARY SHULTZ, AND SECRETARY WEINBERGER. AS YOU MIGHT SUSPECT. THE GIVE AND TAKE OFTEN REVEALS NEW TOPICS OF MEMBERS OF THE NATIONAL SECURITY COUNCIL, WHICH IS INTEREST. THE HIGHEST EXECUTIVE BRANCH ENTITY PROVIDING REVIEW. GUIDANCE. AND DIRECTION TO THE CONDUCT OF NATIONAL INTELLIGENCE AND COUNTERINTELLIGENCE. MAY EVEN DIRECTLY CONTACT AN ANALYST TO REQUEST CERTAIN INFORMATION. THUS, QUESTIONS FLOW INTO THE INTELLIGENCE PRODUCTION PROCESS FROM A VARIETY OF SOURCES AND THROUGH A VARIETY OF BOTH FORMAL AND INFORMAL WAYS. A CERTAIN ESTIMATE OR CURRENT INTELLIGENCE PIECE MIGHT ALSO GENERATE A WHOLE NEW SET OF QUESTIONS. THE INTELLIGENCE PRODUCTION PROCESS DOES NOT PROCEED ON A NICE LINEAR PATH. IT IS DYNAMIC. NEVER-ENDING. AND BEST DESCRIBED AS A CYCLE. QUESTIONS BEGET PRODUCTION WHICH IN TURN BEGET OTHER QUESTIONS.

WHAT DO PRESIDENT REAGAN. THE CURRENT NATIONAL SECURITY COUNCIL. AND OTHER POLICYMAKERS REALLY WANT TO KNOW FROM US?

EVERYTHING AND RIGHT AWAY! I'M EXAGGERATING BUT THE STATEMENT IS NOT FAR FROM THE TRUTH. THERE ARE CERTAIN TOPICS AFFECTING OUR NATIONAL SECURITY WHICH HAVE CONTINUED FOR DECADES. SINCE THE END OF WORLD WAR II. WE HAVE BEEN CONCERNED WITH CAREFULLY TRACKING THE UNRELENTING BUILDUP OF SOVIET CONVENTIONAL AND STRATEGIC FORCES. YOU LADIES AND GENTLEMEN ARE CERTAINLY WELL ACQUAINTED WITH THAT PROBLEM.

PRESIDENT REAGAN, BILL CASEY, AND THE INTELLIGENCE
COMMUNITY AS A WHOLE NOW ALSO SEE THAT THE THREAT FROM THE
SOVIET UNION IS MUCH BROADER THAN A CALCULATION OF MISSILES,
TANKS, ARTILLERY, AND BOMBERS. IN THE LAST SEVERAL YEARS, THE
SOVIETS HAVE USED A MIX OF TACTICS -- POLITICAL, DIPLOMATIC,
SUBVERSION, AND INSURGENCY -- TO EXPAND THEIR INFLUENCE AND
DESTABILIZE GOVERNMENTS. THEY HAVE COMPILED A REMARKABLE
RECORD. WE HAVE SEEN SOVIET ALLIES GAIN POWER OR INFLUENCE IN
CUBA, VIETNAM, SOUTH YEMEN, ETHIOPIA, LIBYA, AND MORE RECENTLY
IN GRENADA, NICARAGUA, AND SURINAME. THIS "CREEPING
EXPANSIONISM" THREATENS OUR INTERESTS MOST IMMEDIATELY IN
CENTRAL AMERICA AND THE CARIBBEAN AND AS SUCH COMMANDS A HIGH
PRIORITY IN OUR INTELLIGENCE EFFORTS.

OTHER CONTINUING "BREAD AND BUTTER" TOPICS INCLUDE ARMS CONTROL. THE INTERNATIONAL ECONOMIC SITUATION, AND THE MIDDLE EAST. BUT IN THE LAST COUPLE OF YEARS THERE HAS BEEN A VERY DISCERNABLE TREND. THE PRESIDENT AND THE NATIONAL SECURITY COUNCIL ARE INCREASINGLY INTERESTED IN WHAT I TERM TRANSNATIONAL ISSUES: NUCLEAR PROLIFERATION, TERRORISM, TECHNOLOGY TRANSFER, POLITICAL INSTABILITY AND INSURGENCY. NO DOUBT THIS REFLECTS THE REALITY OF THE PRESENT WORLD IN WHICH GLOBAL COMMUNICATIONS AND TRANSPORTATION HAVE SHRUNK NATIONAL BOUNDARIES. THE RECENT BOMBING OF OUR EMBASSY IN LEBANON IS A CONCRETE EXAMPLE OF HOW SUB-NATIONAL, RADICAL GROUPS CAN THREATEN OUR PEOPLE, OUR NATIONAL SECURITY, AND THE INTERNATIONAL SYSTEM AS A WHOLE.

WE HAVE HAD TO REFOCUS OUR COLLECTION ASSETS BOTH HUMAN AND TECHNICAL, AND REALIGN OUR PRODUCTION STRUCTURE TO DEAL WITH THESE PROBLEMS. THESE ISSUES CUT ACROSS THE TRADITIONAL DISCIPLINES SUCH AS POLITICAL SCIENCE, ECONOMICS, AND SOCIOLOGY. WITHIN CIA WE RECENTLY CREATED NEW ANALYTICAL CENTERS FOCUSING ON THE RAPIDLY EVOLVING PROBLEMS OF TERRORISM. TECHNOLOGY TRANSFER, INSTABILITY AND INSURGENCY.

WE ARE REBUILDING INTELLIGENCE TO MEET THESE NEW NEEDS.

DURING THE 1970S OUR INTELLIGENCE GATHERING AND OUR ANALYTICAL

CAPABILITIES WERE DRAINED SUBSTANTIALLY BY A LOSS OF 50 PERCENT

OF OUR PERSONNEL AND A 40 PERCENT CUT IN FUNDS. BUT WE ARE

MAKING PROGRESS AND HAVE THE SUPPORT OF THE CURRENT

ADMINISTRATION. WINSTON CHURCHILL OFTEN REFERRED TO THE

DEFENSE SCIENTISTS OF WORLD WAR II AS THE "WIZARDS." HE WOULD

BE ASTOUNDED TODAY. OUR OWN PRESENT-DAY WIZARDS HAVE CREATED

NEW TECHNICAL MEANS OF COLLECTION WHICH PROVIDE US VOLUMINOUS

AMOUNTS OF INFORMATION IN A GREATLY REDUCED AMOUNT OF TIME.

AND AFTER YEARS OF NEGLECT WE ARE ALSO HARD AT WORK RECRUITING,

TRAINING, AND DEVELOPING HUMAN COLLECTORS.

LET ME NOW SPEAK DIRECTLY TO YOUR CONCERNS AS MILITARY COMMANDERS. None of this vast collection and production of intelligence will be of any value to the military commander if it does not arrive in time to be used and if it is not in a form that is easily understood.

IN RECENT DECADES. THERE HAS BEEN AN ACCELERATING TREND TOWARDS COLLECTING AND ANALYZING CURRENT INTELLIGENCE AT THE NATIONAL LEVEL -- PARTLY BECAUSE OF THE LESSONS OF PEARL HARBOR AND PARTLY DICTATED BY ECONOMICS AND TECHNOLOGY. A COMMANDER IN THE FIELD OBVIOUSLY CANNOT CONTROL A PERSONAL SATELLITE. WE

AT THE NATIONAL LEVEL...

AT THE NATIONAL LEVEL MUST NOW BE MORE ACUTELY ATTUNED TO THE FIELD COMMANDER'S NEEDS AS WELL AS THE NEEDS OF OUR LEADERS HERE IN WASHINGTON. COMMANDERS MUST NOT HESITATE TO PASS THEIR REQUIREMENTS THROUGH THEIR SERVICE INTELLIGENCE ORGANIZATIONS AND ON TO THE DEFENSE INTELLIGENCE AGENCY IF APPROPRIATE. IF THE ANSWERS CAN ONLY BE COMPILED BY TASKING NATIONAL COLLECTION SYSTEMS THEN IT BECOMES THE DCI'S RESPONSIBILITY. CRUCIAL TO THIS PROCESS IS COMMUNICATIONS AND IT IS ONE OF THE MAJOR CHALLENGES WE FACE TODAY -- TO IMPROVE COMMUNICATIONS SUPPORT FOR TACTICAL INTELLIGENCE.

I HOPE I HAVE GIVEN YOU ALL A SENSE OF THE MANY ACTORS WITHIN THE INTELLIGENCE COMMUNITY. ISSUES THAT COMMAND THE ATTENTION OF OUR PRESENT LEADERS. AND A GLIMPSE INTO HOW INTELLIGENCE IS PRODUCED. WE ARE FOCUSING ON REBUILDING OUR CAPABILITIES. AND ON IMPROVING THE QUALITY AND TIMELINESS OF OUR ANALYSIS. WE ARE ADDRESSING NEW TRANSNATIONAL ISSUES AND HAVE THE FULL SUPPORT OF THE CURRENT ADMINISTRATION. THANK YOU FOR COMING. I SHALL BE HAPPY TO TAKE YOUR QUESTIONS.